



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

November 8, 2013

Stamp Stock Ordering and Fulfillment

Report Number MS-AR-14-001

BACKGROUND:

The U.S. Postal Service uses two operational components to process postage stamp orders: (1) stamp distribution centers process about 4,500 internal requests received each day from retail units via the Solution for Enterprise Asset Management system; and (2) Stamp Fulfillment Services processes over 10,000 orders a day from collectors, businesses, and residential customers requesting stamps, philatelic memorabilia, and retail products. These products are shipped directly to the customer's doorstep.

Our objective was to determine whether there were opportunities for improving the internal stamp ordering and fulfillment processes.

WHAT THE OIG FOUND:

Significant improvements to the Postal Service's internal stamp ordering and fulfillment processes are needed to effectively and efficiently manage stamp stock. Specifically, stamp stock shortages and delays occurred as a result of implementing the Solution for Enterprise Asset Management system. The system was not adequately tested prior to deployment to account for the large number of users and requests to be processed. In addition, problems were exacerbated because deployment occurred during the 2012 holiday

season, prior to a rate change, and during a time when over 4,000 retiring postmasters were replaced. Further, management did not effectively communicate with personnel responsible for ordering and fulfilling stamp stock. As a result, the Postal Service's ability to accurately assess existing stamp stock inventory and increase stock visibility is limited. We identified \$120 million as revenue at risk related to stamp stock transactions not being recorded timely.

[REDACTED]

WHAT THE OIG RECOMMENDED:

We recommended management improve scanning compatibility and conduct proper testing, develop a policy ensuring timely posting of transaction data, send status alerts to requesters, and effectively communicate process changes with stamp distribution center and retail unit personnel.